

From: Janet Baer <jbaer@kirkland.com>
Sent: Monday, February 27, 2006 4:28 PM
To: David Bernick <dbernick@kirkland.com>, Shelnitz, Mark
<mark.shelnitz@grace.com>; Tarola, Robert <robert.tarola@grace.com>;
Theodore Freedman <tfreedman@kirkland.com>; Finke, Richard
<richard.finke@grace.com>; Siegel, David <david.siegel@grace.com>
Subject: Fw: W R Grace
Attach: Letter_t.pdf

Please see below re Committee's support of the plan. I
will review and perhaps we can discuss tomorrow am on
our regular Grace Company call. Jan

Janet S. Baer
Kirkland & Ellis LLP
312-861-2162
312-660-0362 (fax)
200 E. Randolph
Chicago, IL 60601

----- Forwarded by Janet Baer/Chicago/Kirkland-Ellis on
02/27/2006 03:26 PM -----

"Krieger,
Arlene
G." To
<AKRIEGER "Janet Baer"
@strock <jbaer@kirkland.com>
com> cc
"Kruger, Lewis"
02/27/2006 <LKRUGER@strock.com>,
6:03:11 PM "Pasquale, Ken"
PM <KPASQUALE@strock.com>
Subject
W R Grace

Date: February 27, 2006

Jan,

DR01429

Please see the attached letter setting forth the
Committee's position with respect to continuing as a
co-proponent of the Joint Plan

Arlene

<<Letter_t.pdf>>

(See attached file Letter_t.pdf)

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DR01430

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By E-Mail and Mail

February 27, 2006

Lewis Kruger
Direct Dial 212-806-5430
Direct Fax 212-806-6006
LKruger@stroock.com

Janet S. Baer, Esq.
Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601

Re: W. R. Grace & Co., et al.

Dear Jan:

This letter confirms that in connection with the agreement of the Official Committee of Unsecured Creditors (the "Creditors' Committee") to continue to be a Plan Proponent with the Debtors and the Equity Committee of the Amended Joint Plan of Reorganization filed with the Bankruptcy Court and dated January 13, 2005, as such Plan may be amended from time to time with the prior written consent of the Creditors' Committee (the "Joint Plan"), the Debtors agree to further amend the Joint Plan to modify the treatment of the Class of General Unsecured Creditors to provide that commencing January 1, 2006 the current 6.09% fixed, compounded quarterly, post-petition interest rate accruing for the Holders of the Debtors' pre-petition bank credit facilities shall change to a floating Adjusted Base Rate, compounded quarterly, and the Debtors and the Creditors' Committee agree that the Creditors' Committee has the right to withdraw as a Plan Proponent of the Joint Plan on the occurrence of any of the following circumstances:

1. Failure of the Court to approve the Disclosure Statement incorporating the Joint Plan on or before December 31, 2006;
2. Determination by the Court (Bankruptcy or District) that the Joint Plan is not confirmable together with the failure to file an amended Joint Plan within 60 days;
3. Determination by the Court (Bankruptcy or District) that W. R. Grace & Co, W. R. Grace-Conn., or the Debtors are insolvent;

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STROOCK & STROOCK & LAVAN LLP • NEW YORK • LOS ANGELES • MIAMI
180 MAIDEN LANE, NEW YORK, NY 10038-4982 TEL 212.806.5400 FAX 212.806.6006 WWW.STROOCK.COM

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4. Termination of the Debtors' exclusive period;
5. Withdrawal of the Joint Plan by the Plan Proponents and together with the failure of the Plan Proponents to file a new Joint Plan within 60 days thereafter; and
6. Failure of the Joint Plan to become effective on or before February 28, 2007.

It is understood that the term "Adjusted Base Rate" ("ABR") shall be the greater from time to time of (1) the Prime Rate as published by JPMorgan Chase, or (2) the Federal Funds Effective Rate plus 0.5% points, compounded quarterly on the first of April, July, October and January.

It is also understood that in the event that the Creditors' Committee withdraws as a Plan Proponent, the Debtors will no longer be bound by the agreements reached as of the date hereof with the Creditors' Committee with respect to interest rates or any of the other provisions of the Joint Plan agreed to among the parties.

If this letter accurately states the parties' agreement in this regard, please sign this letter on the signature block provided below and forward the letter back to me.

Please inform us promptly if this letter does not accurately reflect the parties' agreement.

Sincerely,



Lewis Kruger

Agreed To:

By: _____
Janet S. Baer, Esq.
Kirkland & Ellis

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180 MAIDEN LANE, NEW YORK, NY 10038-4982 TEL 212.806.5400 FAX 212.806.6006 WWW.STROOCK.COM

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Janet S. Baer, Esq.
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Counsel to the Debtors
W.R. Grace & Co., et al.

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